

The President's Daily Brief

31 August 1972

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FOR THE PRESIDENT ONLY

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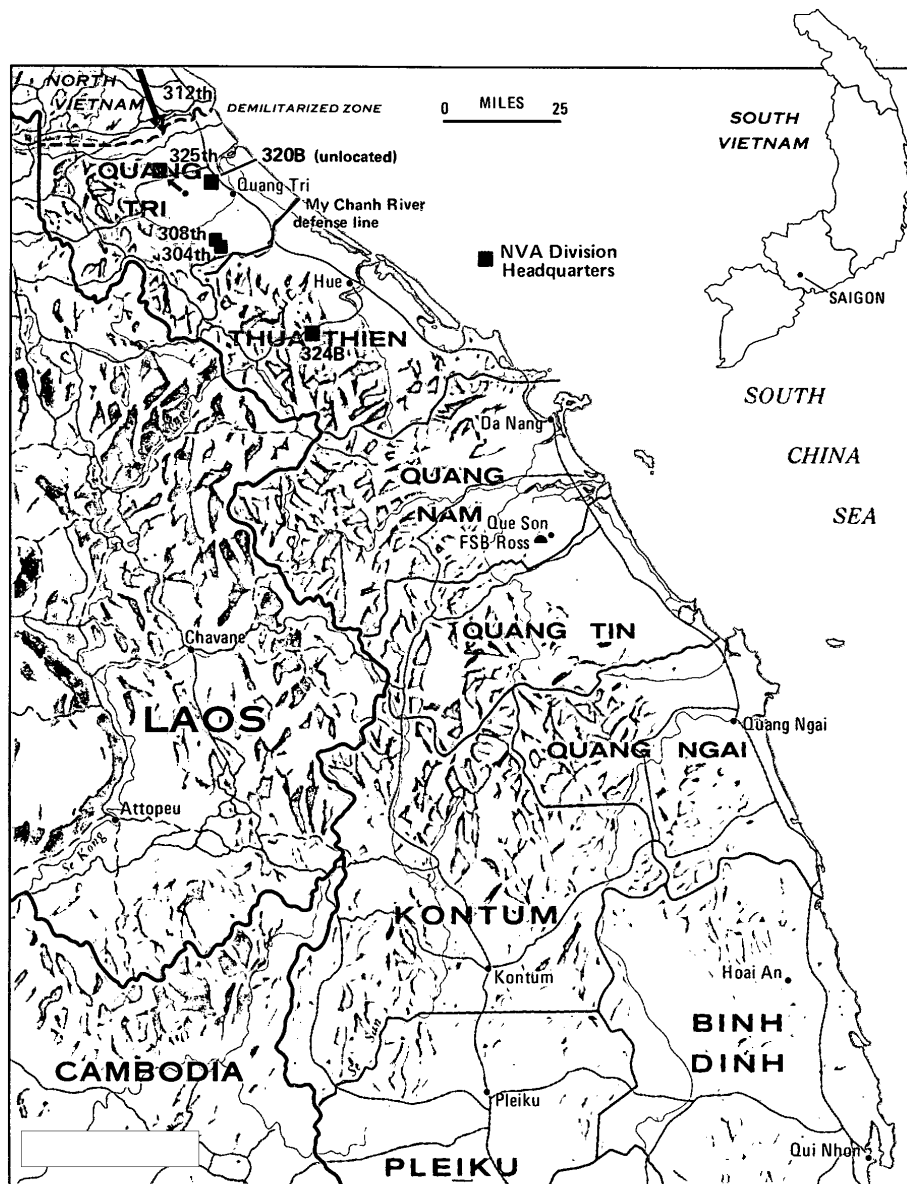
PRINCIPAL DEVELOPMENTS

Although fighting has eased somewhat in the northern provinces of South Vietnam, the Communists appear to be preparing to try to regain the initiative. (Page 1)

The Soviets are preparing to launch their largest space booster in an attempt to send an unmanned spacecraft to the moon and back. (Page 2)

President Marcos is moving to prevent any precipitate actions against US business interests threatened by a recent Philippine Supreme Court ruling. (Page 3)

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VIETNAM

Fighting has eased somewhat throughout the northern provinces, but there are indications that the Communists will soon try to regain the initiative. Several captured prisoners claim that units of the recently infiltrated North Vietnamese 312th Division are to replace those of the 325th Division now fighting in Quang Tri City.

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Intercepts indicate that elements of the North Vietnamese 304th and 308th divisions, arrayed against South Vietnamese Airborne positions south of Quang Tri City, are stockpiling ammunition and foodstuffs and bringing in reinforcements. One message noted that heavy artillery will be used to guarantee the success of "the mission," while another stated that Communist artillery units also are preparing to shell South Vietnamese supply lines near the government's primary defense line along the My Chanh River. Substantial amounts of 122-mm. and 130-mm. artillery ammunition are moving south through the North Vietnamese panhandle, most of which presumably is destined for the northern battlefield. The increased shellings may begin around 2 September, the North Vietnamese National Day.

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Intercepts and press reports from North Vietnam indicate that Hanoi is engaged in the third military conscription drive of the year. The men being drafted are likely to begin appearing in the infiltration pipeline around the beginning of the dry season this fall.

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USSR

Indications are that a very large Soviet space booster is nearing the final stages of checkout at Tyuratam. Launch could occur within the next 24 hours. This vehicle--designated the TT-5--is larger than the US Saturn V, although its payload capability is smaller.

There have been two attempts to launch the vehicle. The first, in July 1969, resulted in an explosion on the pad. The second try, in June 1971



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PHILIPPINES-US

President Marcos is moving to prevent any precipitate actions against US business interests threatened by a recent Philippine Supreme Court ruling.

The court ruled that a 1946 constitutional amendment allowing US interests to own land applies only to public-domain land and not to private land. Since 1946, US firms and individuals have acquired some 37,000 acres of land, over three-fourths of which had been privately owned. The court also ruled that the expiration of the amendment on 3 July 1974 will cancel all corporate and land ownership rights now held by US interests. As a result of the decision, in addition to the approximately \$50 million in landholdings immediately affected, the future of a major portion of the total US investment of \$1 billion is in jeopardy.

In recent public statements, Marcos has stressed the need to maintain a favorable investment climate and has also pointed to the constitutional provision that property may not be confiscated without "just compensation."

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Until the full ramifications of the court case are known, Marcos evidently wants to keep all options open. In particular, he does not want the legislature to pass implementing legislation that might prevent separate executive deals with the US during coming economic and trade negotiations.

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NOTE

Honduras: General Lopez, the armed forces chief who has been plotting to return to power ever since he stepped down in 1971, is about to get yet another opportunity. A variety of disturbances over the past week, involving students, teachers, and workers, is testing President Cruz' shaky government to the limit. If the disorder is not soon contained, Lopez may find himself in a position to take over with little resistance--perhaps even with congratulations--from the population as a whole.

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